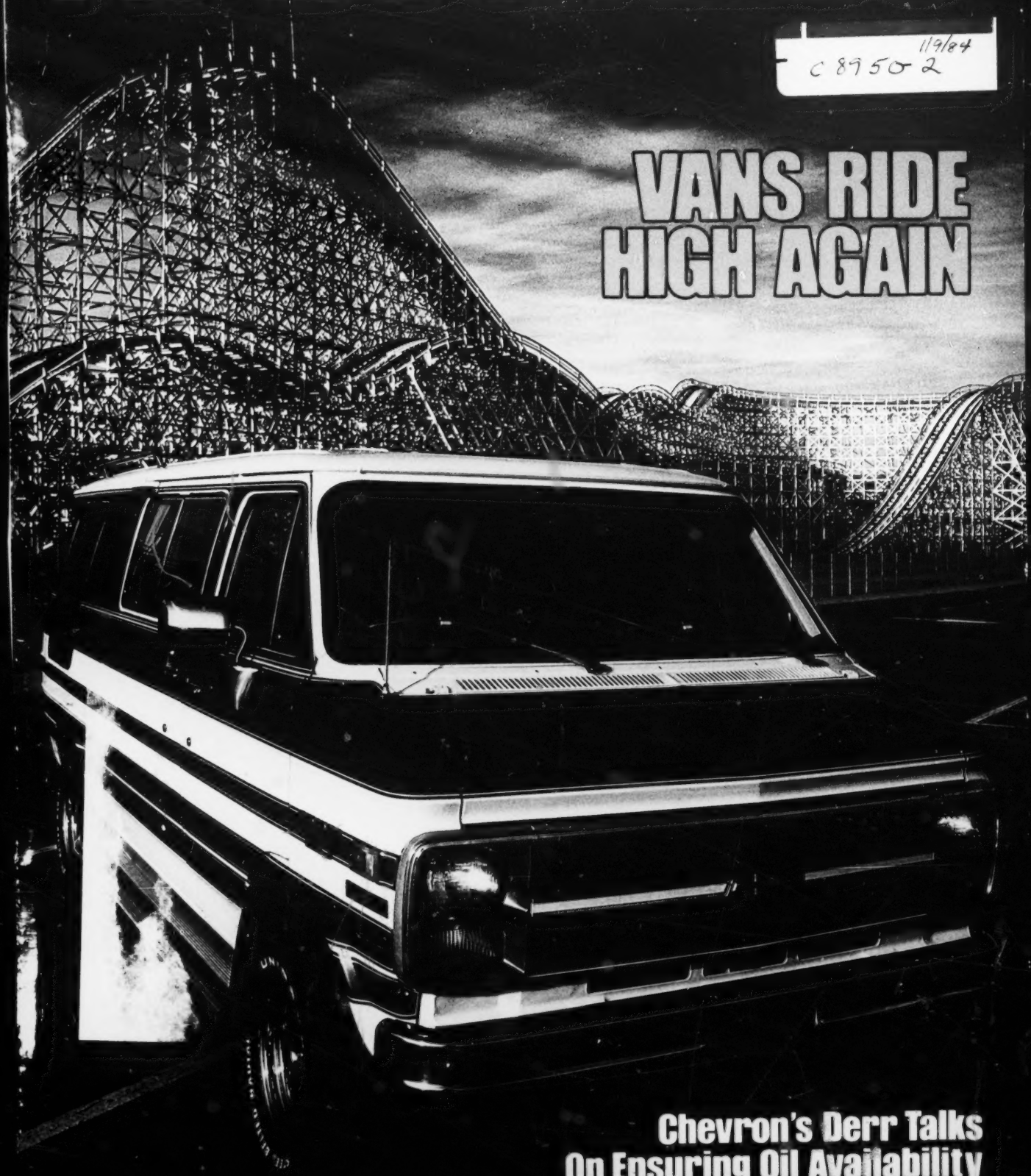
RV BUSINESS

C89502 11/9/84



VANS RIDE HIGH AGAIN

Chevron's Derr Talks On Ensuring Oil Availability

RV BUSINESS

A TL ENTERPRISES PUBLICATION

JANUARY 1984/VOL. 34, NO. 10

CONTENTS

8
EDITORIAL
by Michael Schneider

10
LETTERS

15
BAROMETER
by John Thompson
Taxes up; shelters down

16
PERSPECTIVE
by Gaylord Maxwell
Some up, some down, but flying high

17
ASSOCIATIONS
by Olga Markowitz
WDA tightens membership qualifications

18
SHIPMENTS/ WDA FIGURES
Onward and upward

20
WRIGHT
Attracting black RVers

24
DETROIT
by Ellis Trantor
Compact conversions

32
MAXWELL
Talking up business

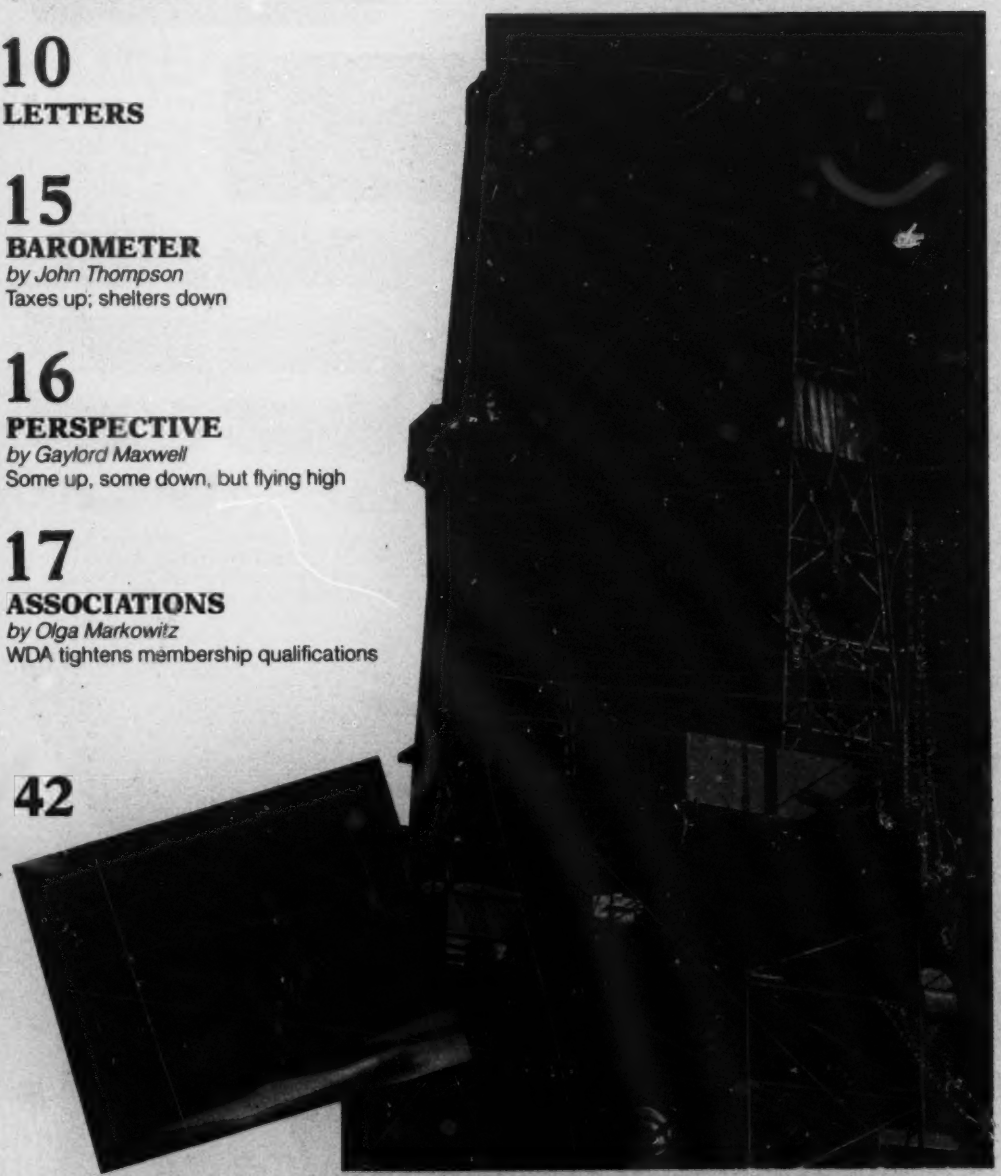
34
RV PEOPLE

38
OERTLE
On finding a manager

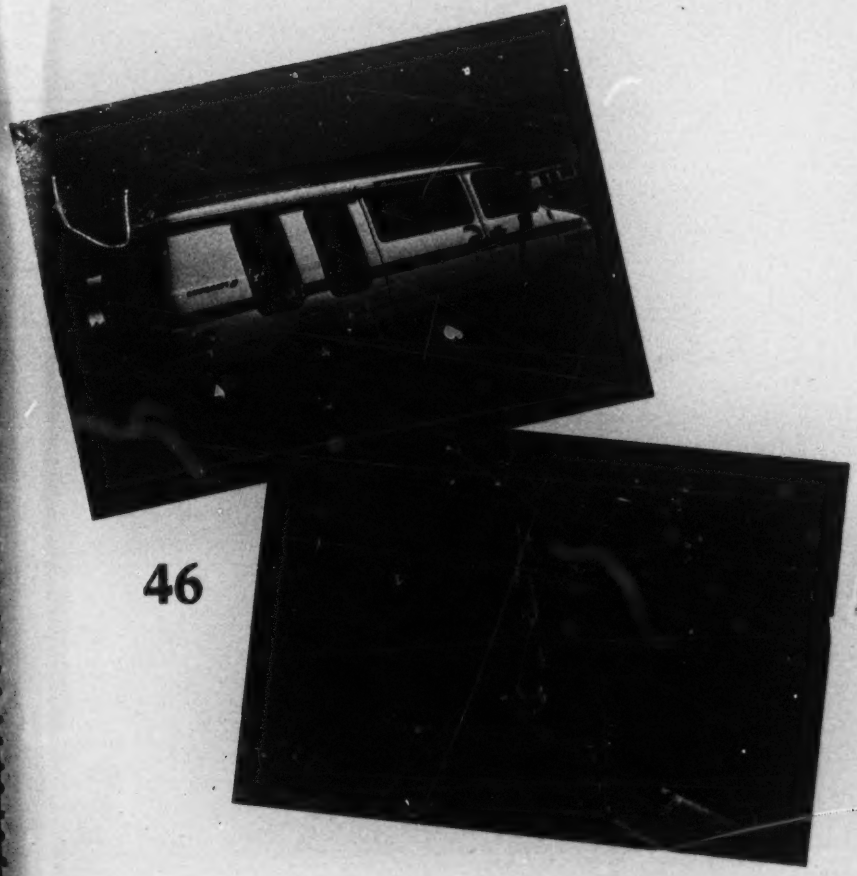
42
FUTURE OIL OR FUTURE SHOCK?
by John Thompson

46
THE VAN MARKET
by Don Wright

48
RVIA LAUNCHES VAN CONVERSION CAMPAIGN



42



ON THE COVER: We chose Magic Mountain's Colossus roller coaster as a background for the sleek new Contempo van, to demonstrate the spine-tingling ups and downs of the van industry. The real thrill, though, is the possibility of a more level future. See page 46. Photo by Hal Hunt.

46

65
RETAIL FINANCE—PART IV
by John Thompson

70
DISTRIBUTOR CATALOGS
by Don Wright

83
NEWS
Olga Markowitz, Coordinator
Van conversion association expands

91
TRIVIA QUIZ ANSWERS

92
PROFITMAKERS

94
20 YEARS AT PECO
by Bill Partridge
Tenacity is a virtue

104
CALENDAR

106
RETALES
by Bob Stevens

STAFF

Publisher Denis M. Rouse
Assoc. Publisher/Editor Michael Schneider
Managing Editor Sheryl Davis
Art Director Susie Lieu
Director of Technical Services Bill Estes
Midwest Editor Don Wright
Feature Editor Gaylord Maxwell
Associate Editor Olga Markowitz
Directory Listings Coordinator Rose Mizes
Cartoon Editor Bob Stevens
Contributing Editors Robert Longsdorf Jr., John Thompson, Lee Oertle
Production Manager Betty O'Meara
Production Coordinator Denielle Sternburg
Assistant Production Manager Jackie Pretty
Production Assistant Mary Ann Shrader
Advertising Art Nan Kane, Darlene Heusser

RV BUSINESS (ISSN 0744-9569, USPS 920-340) is copyrighted 1984 by TL Enterprises, Incorporated, in the United States and Great Britain. All rights reserved. Permission to reprint or quote excerpts granted only upon written request. Second-class/controlled postage paid at Agoura, California 91301 and additional entry points. POSTMASTER: Send address changes to *RV Business*, PO Box. 3000, Agoura, California 91301.

RV BUSINESS is published by TL Enterprises, Incorporated, with editorial and business offices at 29901 Agoura Road, Agoura, California 91301; (213) 991-4980.

RV BUSINESS is published monthly; a Directory and Buyers Guide appear annually. Subscription rates: U.S. and Canada, $24 a year; $48 for two years. Foreign subs, $48 per year. Single copies are $2 for regular issues and $9.95 for the Directory. Advertising rates on request.

Record all changes of address in writing with Circulation Department at least 50 days before date of issue in which they are to take effect. Address all correspondence and editorial material to Agoura, California, office.

RV BUSINESS is published by TL Enterprises, Incorporated, which also publishes *Trailer Life*, *MotorHome*, *Rider*, *Trailer Life's Annual RV Buyer's Guide*, and *Hi-Way Herald* for the Good Sam RV Owners' Club.

SHIPMENTS

WDA QUARTERLY SALES FIGURES

With this issue, *RV Business* begins a quarterly presentation of statistics from the Warehouse Distributors Association. The charts shown here are based upon a representative sampling of WDA members, as compiled in the third quarter of 1983. While these statistics are not intended to be fully indicative of the sales volume among distributors in the RV and MH industries, they are presented here as an insight into the supplier/distributor industry.

SALES VOLUME

	THIRD-QUARTER SALES VOLUME	
	PERCENT CHANGE 1982 TO 1983	RANGE OF CHANGE
REGION 1	+30.1%	+36.3% to +9.1%
REGION 2	+46.8%	+62.1% to −22.4%
REGION 3	+14.8%	+59.7% to −7.5%
REGION 4	+27.4%	+31.1% to +6.4%
REGION 5	+29.2%	+45.8% to −14.9%
REGION 6	+38.8%	+57.9% to +14.7%

SALES VOLUME

	FIRST NINE MONTHS SALES VOLUME	
	PERCENT CHANGE 1982 TO 1983	RANGE OF CHANGE
REGION 1	+41.6%	+49.4% to +10.1%
REGION 2	+34.8%	+58% to −16.2%
REGION 3	+12.6%	+52.2% to −16.4%
REGION 4	+15.8%	+19.3% to −4.1%
REGION 5	+24.4%	+38.7% to −18.3%
REGION 6	+31.6%	+50.7% to +14.5%

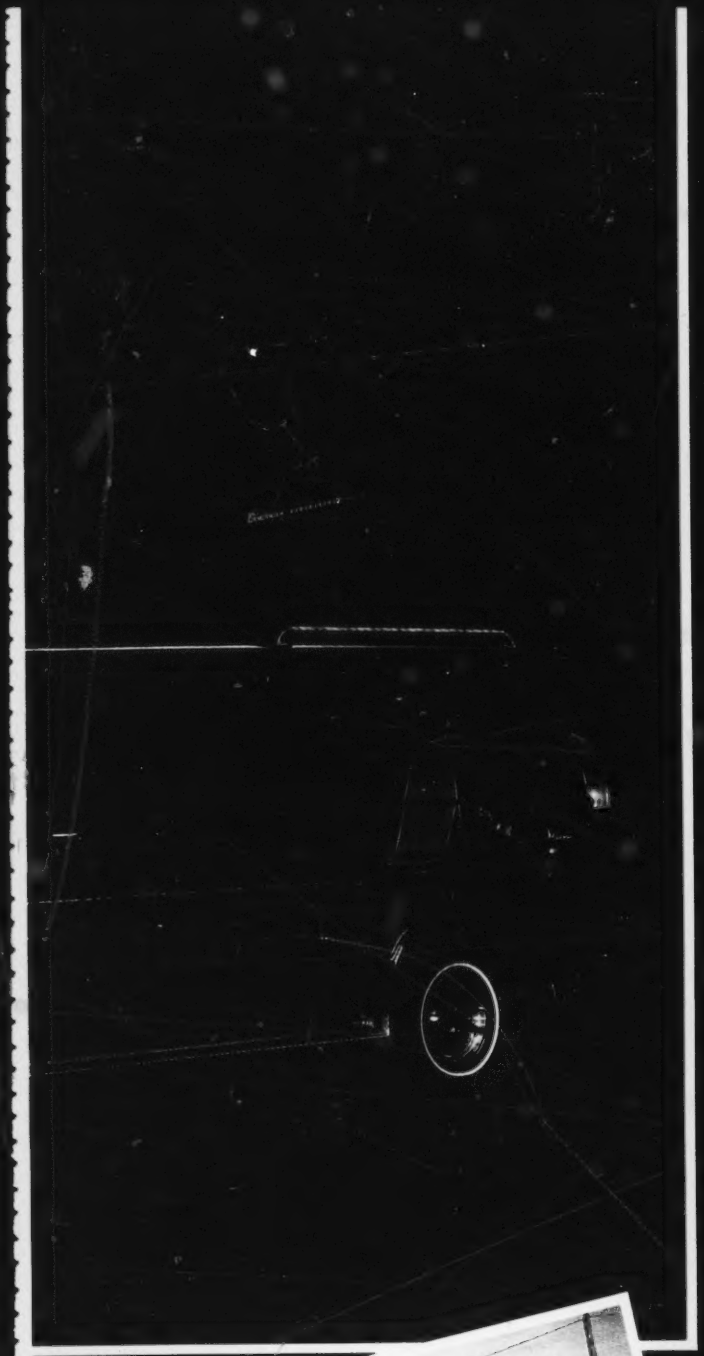
Region 1: Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia and Washington, D.C.; **Region 2:** Alabama, Florida, Georgia, Mississippi, North and South Carolina and Tennessee; **Region 3:** Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North and South Dakota, Ohio and Wisconsin; **Region 4:** Arkansas, Colorado, Kansas, Louisiana, Oklahoma, New Mexico and Texas; **Region 5:** Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, Oregon, Utah, Washington and Wyoming; **Region 6:** Canada.

RVIA, OCTOBER

The marketing committee of the Recreation Vehicle Industry Association has announced that the total number of recreational vehicles shipped from manufacturers' plants during October 1983 was 30,000, up 44.9% from October of 1982.

The shipment figures released by the association are contained in a report compiled for the membership by RVIA's marketing committee under the chairmanship of Allen Yoder Jr. of Jayco, Incorporated, Middlebury, Indiana.

RV shipments were as follows in October 1983		October 1982	Percent Change	Cumulative 1983	Cumulative 1982	Percent Change
TRAVEL TRAILERS	6100	4600	+ 32.6%	64,100	47,300	+35.5%
FIFTH-WHEELS	1700	900	+ 88.9%	15,500	10,100	+53.5%
TRUCK CAMPERS	400	400	0	6300	5000	+26.0%
MULTI-USE VEHICLES	12,700	9000	+ 41.1%	129,900	92,700	+40.1%
TYPE A: MOTOR-HOMES	3200	1700	+ 88.2%	27,900	16,300	+71.2%
TYPE B: VAN CAMPERS	500	100	+400.0%	4600	3400	+35.3%
TYPE C: MINI MOTOR-HOMES	2700	1300	+107.7%	26,300	15,600	+68.6%
FOLDING CAMPING TRAILERS	2700	2700	0	32,600	29,600	+10.1%
TOTALS	30,000	20,700	+44.9%	307,200	220,000	+39.6%



Rockwood Chevy van

DON WRIGHT

Van conversion sales during 1984 will be limited by only two factors: the availability of raw van chassis and the supply of components such as seats, draperies, carpeting, wood paneling and decorative fabric. That's the word from van manufacturers throughout the country, who predict that consumer demand for quality van conversions almost certainly will outstrip the supply of vehicles on dealers' lots.

Meanwhile, dozens of new van conversion companies will open nationwide with the hope of cashing in on the currently high demand for luxury vehicles. Already, an estimated 400 to 500 companies—nearly half of them within 25 miles of Elkhart, Indiana—are converting vans. Some are building only two or three a week; others are converting five or six a day; a few are churning out as many as eight van conversions per hour.

The van conversion business has never been better; profits have never been higher. But the real growth in van sales has not yet even begun, according to industry leaders. Conversion companies are forecasting business increases ranging from 50% to more than 100% for 1984, and most agree that, notwithstanding chassis and component availability, they could triple or even quadruple their

RVIA LAUNCHES VAN CONVERSION CAMPAIGN

Concerned that too many van conversions fail to meet federal safety standards, the Recreation Vehicle Industry Association (RVIA) has initiated a series of steps designed to ensure that van dealers and retail buyers know which companies are converting vans properly. By doing that, RVIA hopes to force converters who are now ignoring safety standards to begin complying with them.

Federal Motor Vehicle Safety Standards require all passenger vehicles—including van conversions—to be equipped with adequate reflective devices, rearview mirrors, tires, rims, occupant crash protection, window glazing materials, seating systems, seat belts, seat belt anchorages, wheel nuts, wheel discs, hubcaps and nonflammable interior materials.

RVIA Chairman Norman Jacobson, who is also vice president of Contempo Vans, said that a surprisingly large number of van conversion companies are not complying with the federal standards, either because they don't know about the requirements or because they believe they can achieve a competitive edge by not complying. Jacobson admitted that compliance with the law is more expensive than noncompliance.

Jacobson said RVIA's current effort to educate dealers and consumers about van safety "started with seven or eight high-volume converters who already spend the money to meet all the federal standards. We believed that even though we were doing it right, our industry was going to get a black eye sooner or later because of those companies that aren't doing it right."

Over a period of months, a five-prong campaign will emerge. First, the association will create a safety standards manual that spells out all the requirements of the Federal Motor Vehicle Safety Standards FMVSS. RVIA will schedule seminars to inform conversion companies as to exactly what their responsibilities are and how the standards are enforced by the National Highway Traffic Safety Administration. Then RVIA will issue seals to its members who convert vans; the seals symbolize compliance with all federal safety standards. Next, RVIA members will be furnished with printed documents designed to be placed in the windows of their vans; the documents call attention to the seal and promise dealers and consumers that the vans meet federal standards. Finally, RVIA hopes to provide its members with insurance coverage that protects their dealers and the chassis manufacturers against any safety errors or omissions made by the van converter.

The campaign is being spearheaded by Starcraft President Don Cuzzocrea, who also serves as chairman of RVIA's Special Vehicles Committee. Members of that committee represent most of the largest companies in the van conversion field, including Contempo, Starcraft, U.S. Conversions, Ger-Win and Bivouac. Cuzzocrea told RVB: "What we're trying to do is convince the consumer to buy a van conversion from a reputable company—one that builds according to the federal standards. We believe there is no other organization in existence that can educate and train the van converter to the FMVSS as well as the RVIA."

He said, "Many of us in RVIA are really appalled by some of the units being built and sold. Some have no seat belts, no flame-retardant upholstery, for instance, and we believe that sooner or later, there will be some tragic accidents that will reflect badly on the whole industry."

Although RVIA requires its members to submit to periodic vehicle inspections in order to qualify for other types of seals, no inspections will be made of members' van conversions. And association spokesman explained, "The safety standards are federally enforced standards, and our organization has never taken on the task of doing the job the federal government is supposed to do." The standards have the force of law; violations can result in expensive recalls and $1000-per-vehicle fines.

Jacobson said, "Because of the way the federal regulations are written, it is the responsibility of the individual manufacturer to do the job. There are no policemen. The only time the federal government gets involved is when somebody files a formal complaint or there is a serious accident. Our idea was that the good guys in the industry would like to upgrade the guys who aren't doing the work right, but we believed that instead of becoming policemen, we would be much better off becoming instructors."

He predicted that companies not in compliance with federal standards will soon have a difficult time acquiring raw chassis from Detroit. The

continued on page 54

VAN MARKET *continued*

production over the next year.

Santa Fe Vans of Elkhart, Indiana, is probably typical of most conversion companies. It experienced a 110% growth in sales during 1983 and is aiming at a 75% additional growth in 1984. President Ken Huys, who made that forecast, told RVB: "I'm pegging that on the number of chassis we're going to get. I know within 10% how many chassis we'll have; that dictates what our increase is going to be."

Availability

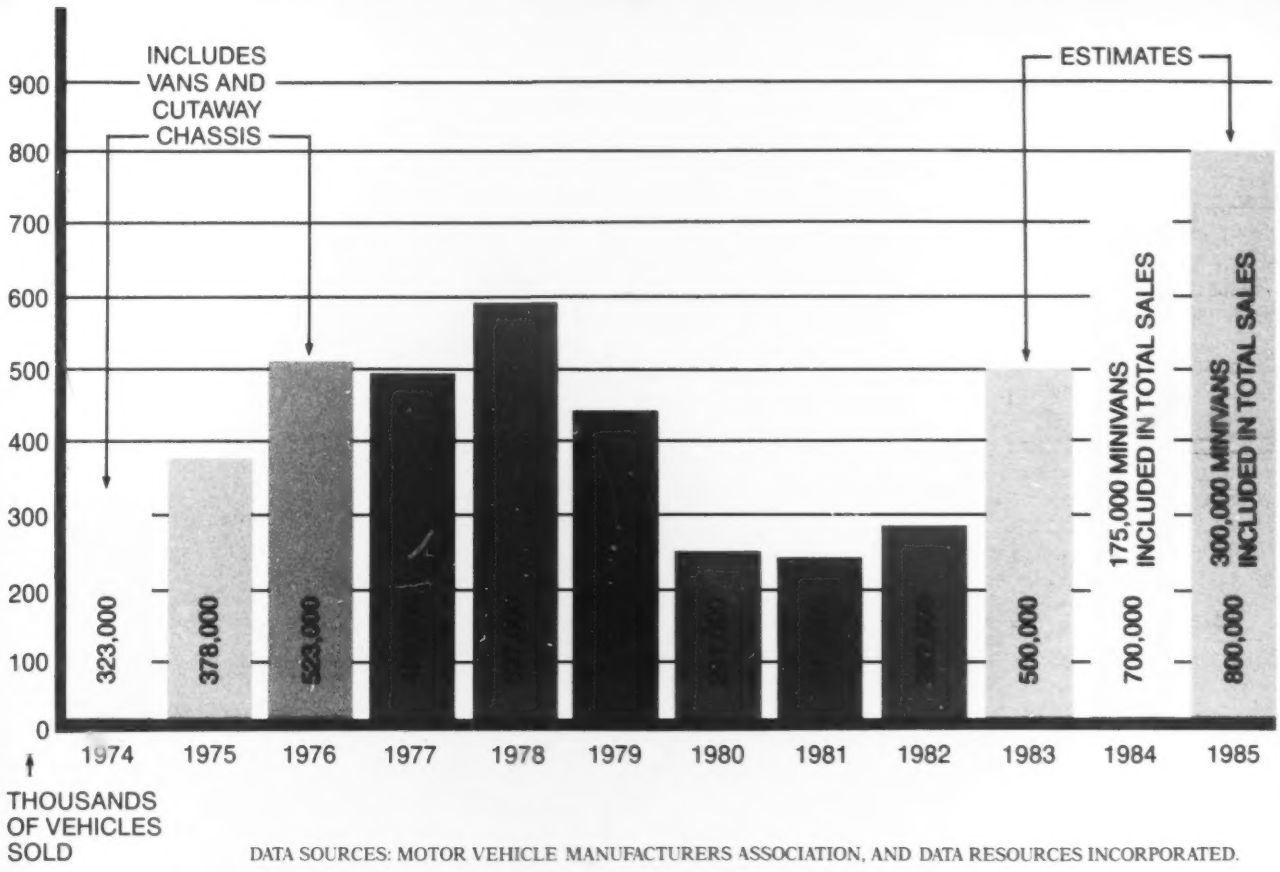
Indeed, van sales are not limited by consumer demand today, but by chassis availability. Almost every converter in America wants more raw chassis than he's getting, and most are trying to supply dealers with even more completed vehicles.

Huys said, "I just talked with a dealer a few minutes ago, and I asked him, 'How is the retail business going?' He said, 'It's very difficult to tell because we don't have any vans. We have a gut feeling that if we had some vans, we'd really be selling them because a lot of people are coming in asking for them.'" In mid-September, Huys said his company had a three-month backlog of orders, and he expected retail van sales to hold at a steady rate through the fall and winter.

Asked about Santa Fe's supply of chassis, Huys chuckled and responded: "That's a perennial problem. We're doing all right. We're getting a good number of chassis, and we're running at a higher rate of production right now than we did last year; getting all the chassis we need is a continual battle. It's the same everywhere, though."

Surprisingly, Huys said, "I'm glad there *is* a shortage! If the automotive manufacturers build all the chassis that the dealers and converters want, we'll start to see a lot of cutthroat discounting, and this industry will really get screwed up. Right now, we're able to hold our grosses, and that's important if we're going to operate our businesses the way we should."

Santa Fe, which opened its doors only three years ago, converted about five vans per day last summer, but Huys expects to increase that level to between eight and 10 vehicles by



DATA SOURCES: MOTOR VEHICLE MANUFACTURERS ASSOCIATION, AND DATA RESOURCES INCORPORATED.

spring. Comparatively speaking, Santa Fe is a medium-sized converter. The industry's leaders are Starcraft, Bivouac, Roman Wheels, Mark III, Tra-Tech, U.S. Conversions and Consolidated Leisure/Midas.

U.S. Conversions, which was one of the van industry pioneers in the early 1970s, has recently expanded and diversified dramatically. Owner Steve Kash now operates seven divisions under a new umbrella corporation, Kentron. Those divisions are U.S. Conversions, which produces midpriced vans; Premiere Editions, which handles high-end conversions; Leisure Editions, which converts vans for the low-priced range; Royal Motor Coach, a luxury motorhome conversion company; Kustom Seating; Royal Furnishings; and Concept Editions, which converts small trucks and will concentrate on converting the new minivans when they're available. (*For more on minivans, see "Detroit," page 24.*)

Kentron's Leisure Editions division is a good example of a company that entered the van conversion field during the last year and has been phenomenally successful. Leisure Editions has increased its production from three vans a week in November 1982, to 40 a week in the fall of 1983. Like most of its competitors, however, Leisure Editions shut down two weeks during the last year because of chassis availability.

Universal Motor Coach, another new converter that specializes in Ford vans, held a million-dollar backlog of orders in September because it could not get enough chassis to increase its production much beyond 12 per day. Even so, Operations Manager Jay Koenigsberg reported, "We've been fairly fortunate in that we turn our chassis quickly, and Ford has been allocating based on how fast you're turning them around. We spend a certain amount of our time acquiring chassis. We've got pool chassis; we're also buying vans however we can."

Koenigsberg added, "We walked around the South Bend show last August and talked with a dozen different converters there. The prevailing attitude was, if you've got vans, you can sell 'em. And that's true. It's easy to sell vans right now. It's a little tougher to buy them, but that's just the nature of the business. If acquiring chassis were easy, everybody else would be converting them, and there wouldn't be any money in it for us!"

Component Shortages

Van production has been hampered by unexpected fabric, seating and component shortages, too. "Components have been very much a problem for us," said Koenigsberg. There is a drastic shortage of good-quality component manufacturers that are also capable of doing increased volume. And they've also had problems with *their* suppliers. There is a shortage of raw goods as well as finished goods. Every supplier we do business with is enjoying some pretty good growth, and some of them just can't handle it."

Several conversion companies told RVB that suppliers seem unwilling to make long-range commitments for their businesses and, as a result, the converters must search constantly for component manufacturers. Conversely, suppliers complain that converters exhibit little loyalty toward companies that service them and that most converters switch suppliers time after time simply because of price differences. In today's market, some suppliers say they are refusing to

make long-range commitments to anyone except their most loyal customers. Others candidly admit they will not do new business on other than a long-term basis.

Van seat and sofa manufacturer Wieland Designs of Goshen, Indiana, is one such company. Sales Manager Rich Hockstetter reported, "If we got a call from a new company, most probably we would tell them we would not be able to serve them now unless they commit to a program of buying. For example, we'd require them to buy a minimum of one unit (one set of seats) per day over a fairly long period. Frankly, our interest is in the people who are in business to stay; we're looking for consistency from the company and from its people."

Van converters saw component shortages develop as early as April 1983, when items that ordinarily had been available within a few days were not delivered for two weeks, and components that usually necessitated 10-day lead times were not shipped for three or four weeks. Plywood, fabric and venetian blind shortages hit the converters especially hard in May and June.

Shortages of chassis and components became so serious a couple of times during 1983 that not only were there plant shutdowns, but some converters encountered near-tragic cash flow problems.

Shakeout

The current consensus among medium-sized and large converters is that chassis supplies will, eventually, determine how many companies can survive. A shakeout of converters is inevitable, most industry executives agree, and the companies that will feel the effects the most will be small van converters.

Automotive executives from Detroit agree that van chassis will be in relatively short supply through the rest of the 1984 model year. Chevrolet spokesmen said virtually no conversion companies will be able to get as many vans as they want during the next several months, and converters who are not members of bailment pools may be hard pressed at times to find enough chassis.

In addition, David Tarrant, of Ford Motor Company, told RVB that he sees little improvement immediately ahead for chassis availability. On the contrary, Tarrant said he expects van shortages to continue until at least the 1985 model year. At that point, Chevrolet and Ford are expected to introduce their new minivans, and the availability of those vehicles will relieve some of the pressure on full-size vans.

According to Bivouac's Nowakowski, as demand for converted vans continues to increase in the months ahead, the Detroit auto manufacturers will be less able to supply enough chassis to meet the demand. Then, he said, sales of chassis to small converters will probably be restricted and those converters could be forced out.

Universal's Koenigsberg reported, "We're already seeing the small companies starving for chassis. . . . Manufacturers realize that they are reflected upon by the type of people with whom they do business. That's because, when retail customers have problems, they don't ever think of the van conversion company as being to blame; they think about Ford or Chevrolet, or about their dealer."

Many large, established conversion companies refer to some of their less successful competitors as "schlock converters" or "garage shops" and claim such operations certainly won't remain open if times get tough again. Harley Wingard, vice president of Ger-Win Vans, predicted, "We'll go through the same thing we did back in '79. When the market turns down, those guys will close their doors and walk away. There will be nobody for retail customers or dealers to go to for warranty work on a lot of these units. I believe there are many [illegible]being built today that do not meet the production standards and codes."

The Dodge Caravan/Plymouth Voyager, one of the new mini vans.

Wingard said he believes a shakeout is inevitable, but he doesn't think it will come while demand for vehicles is high. "I think the next couple of years are going to be strong. Then we'll go through a valley again—which we always have—and that's when the shakeout will happen."

Roger Ellis, national sales manager for U.S. Conversions, believes the shakeout will occur earlier. "I estimate that within nine months, the small van conversion companies will start falling by the wayside purely because of drop-ship chassis availability. The small man relies completely on getting trucks from dealers, whereas companies such as ours are in bailment pools and get most of their chassis from Ford, Chevrolet, GMC and Chrysler. The small converter has to hope he can find dealers who are willing to give him chassis, but those chassis are going to dry up in about six

VAN MARKET *continued*

or eight months; there just won't be any vans for him to convert."

How extensive will the shakeout be? Major converters disagree on that point. Some believe it will be very extensive, with only a relatively small number of converters surviving. Others believe the shakeout will affect only the small garage shops and that a rather large number of converters will continue operating.

Bill Garvey, sales manager of Leisure Vans, said, "The number of van conversion companies in the Elkhart area alone is just phenomenal, and there is no reason for me to believe that even if we have a shakeout there won't be a substantial number of manufacturers left. There are between 400 and 500 converters in the Midwest right now. How many can the market support reasonably well under normal conditions? I believe it can still support a very large number."

Tra-Tech President Robert O. Isham said he doesn't believe much of a shakeout will occur; he thinks small converters will always be able to acquire drop-shipped chassis from dealers. "Whether we like it or not, we're always going to have to compete with those people (the small converters). It hasn't been my experience that they just disappear."

Isham emphasized that even if a market turndown comes, several of the larger conversion companies will go out of business faster than the very small converters. "This business has been good to a lot of people, and there have been some tremendous success stories in the field over the years. But I think so many companies enter the field, grow and become very successful, and then the key people in those companies forget where they came from. They forget that they had to work themselves up from nothing. They forget that once, every van they sold was important to them. All of a sudden, they get themselves into financial hot water. Things get shaky, and they exit the marketplace quicker than the old boy who's converting vans in a run-down building from the rear of an industrial park."

Digging In

While market conditions are good, several van companies are solidifying

ELKHART: VAN CONVERSION COUNTY

Elkhart County, Indiana, has been regarded for many years as the heart of the nation's RV industry, but during the last three years the area has also become the center of America's growing van conversion industry. In excess of 200 van builders are already converting vehicles within 25 miles of Elkhart, and dozens more are operating out of facilities less than two hours' drive from the northern Indiana community.

The converters are drawn to Elkhart for four reasons:

- Personnel who are experienced in building and selling van conversions are more numerous there, due to the vanfield's close historical ties with the RV industry.
- Most key suppliers and component manufacturers already have facilities in Elkhart.
- Raw van chassis built in Detroit can be easily drop shipped to Elkhart.
- Automotive dealers near Elkhart and South Bend have excellent working relationships with local converters, and they willingly — and profitably — assist conversion companies in acquiring chassis.

Around Elkhart, the attitude toward converting vans is this: If you can get chassis, you should open a van conversion company.

"All it takes is money and chassis," RVB was told by the president of a well-known conversion operation. "You don't have to know anything about converting vans yourself because if you've got money and can get chassis, you can steal enough people to do the work for you. Then all you have to do is manage the business and take in the dough."

He added: "Of course, that kind of attitude has caused the market to be saturated with a lot of schlock conversions. Ninety-nine of the people who are in it for the fast buck won't be around two or three years from now. But while they're here, they're making a lot of money."

Ironically, the RV manufacturers that spawned Elkhart's van conversion industry are now competing with van converters for the same labor force — and experienced production workers are in such short supply that they can demand almost any working conditions and wages they want. Employee benefits have become a hot-button issue around Elkhart since the county unemployment rate dropped to near 3% and pirating of experienced personnel became as the best way to build a team.

Effective sales people are most in demand. A salesman who has good rapport with several key automotive dealers can virtually write his own contract with any van conversion company in town. Not only is it common practice for a salesman to take his key accounts from one company to another whenever he changes jobs, but it is almost inevitable that the salesman will eventually grow tired of working for someone else and form his own company.

Converters outside the Elkhart mainstream routinely ridicule their Elkhart-based competitors for their pugnacious pirating of each others' ideas, suppliers and employees, and their conservative approach toward business.

A Michigan converter said his company likes to boast that it is farther from Elkhart than from Detroit — meaning that not only is the plant physically distant from Elkhart but its philosophy is more automotive-oriented than RV-oriented. "It's really a big plus to be as far away from Elkhart as we are. We're close enough to take advantage of the suppliers and yet far enough to be out of that Elkhart mentality," Elkhart mentality, he explained, says "I don't really need your business, and if you want to take it somewhere else it won't bother me." He added: "We don't have the people problems, the piracy problems and the industrial espionage. We just stay up here out of the way and make money."

Of course, dozens of the Elkhart converters are making money, too. Lots of it. The boom in van sales has turned several former salesmen and production superintendents into quite wealthy men. Their successes in turn have encouraged other Elkhartans to quit their jobs and enter the van conversion field in the hope of finding their own pots of gold.

During the last year, 18 new van conversion companies opened their doors every month in Elkhart County. Some will survive and become leaders in their field; some will struggle a few years and then fade out of existence; most will die a quick death due to undercapitalization, supply shortages or an inability to acquire enough new customers.

But one thing now seems certain: Elkhart, Indiana, will continue to be the focal point for America's growing prosperous van conversion industry.

VAN MARKET *continued*

their positions in the field by expanding and diversifying. Tra-Tech, Bivouac, U.S. Conversions, Turtle Top, Starcraft, Roman Wheels, Ger-Win, Contempo, Royal Coach and a few others now have more than one plant in operation.

Tra-Tech, which went into business during the pits of the van conversion depression in mid-1979, currently converts vehicles in three facilities—Fort Worth, Texas; Pontiac, Michigan; Marietta, Georgia. Here's how Isham explained his reasons for Tra-Tech's expansion: "We always had a strong belief that it is impossible for one plant to service a dealer properly if they're 1000 or 1200 miles away from him. Rather than do that and, at the same time, continually try to increase production in our Forth Worth facility, we elected to open two new plants. Doing that put us in a better position to understand the attitudes and particular needs of dealerships within a 500- to 600-mile radius of each of the three plants, too. We believe there are some differences; there are different activities and lifestyles in those areas, and dealers need to chart their businesses according to those local attitudes." Tra-Tech now produces 20 vans per day in its Texas facility and five per day in each of its satellite plants.

Starcraft—undisputed leader in the conversion field with its 65 vehicles per day—operates plants in Topeka, Indiana; Corcoran, California; and Delhi, Louisiana. Bivouac is hoping to convert up to 28 vans per day from its plant in Vandalia, Michigan, and it recently expanded its output potential by purchasing Kim Gerring's Tech Trans operation in Bristol, Indiana. Roman Wheels, another well-established conversion company that each year is among the nation's top five producers of vans, has plants in Bristol, Indiana; Tampa, Florida; and Arlington, Texas.

U.S. Conversions, under its Kentron umbrella company, is threatening to become the country's top producer of van conversions. USC Sales Manager Roger Ellis has his sights set on a 25-van-per-day production schedule in 1984, and to those figures must be added Leisure Edition's 10 per day and Premier Edition's projected seven per day. Total Kentron production for 1984 is expected to reach 155 vans and trucks per week. Roman Wheels produces about 20 conversions per day in its three plants while Ger-Win builds nine per day at its Indiana facility and four per day at its plant in Olathe, Kansas.

Multiplant operations are not the only ones experiencing phenomenal growth rates, however. Bentley Corporation, which produces Good Times and Venture conversions, recently moved into a huge 156,000-square-foot complex in Grandview, Texas, so that it could more easily handle its 1984 projection of 20 vehicles per day. RVC, Incorporated, moved from rented quarters in Middlebury, Indiana, to larger

Shown is one of Tra-Tech's three conversion facilities.

RVIA CONVERSION

from page 48

automotive manufacturers are concerned about being legally liable for incomplete work done on their chassis by van converters, he said, and so the RVIA program is endorsed by General Motors, Ford and Chrysler. RVIA is also working closely with the National Automobile Dealers Association program.

Van conversion companies that are not members of RVIA will not be eligible to receive the association's seal and other support materials, Cuzzocrea said. But he added that responsible converters should be RVIA members anyway.

Noting that periodic efforts are made to form a new association of van converters, Cuzzocrea said he and most other major conversion executives do not believe a separate association is necessary. "Although the vans we make are not recreational vehicles in the true sense, we still believe there is such a commonality of interest, codes and regulations that it doesn't make sense to form another organization. We believe that the best organization for van converters to join is RVIA. In order to enhance the applicability for van converters, RVIA has taken an unprecedented step. We have a Special Vehicles Committee, which is essentially made up of van conversion companies. There is no like committee in the association for motorhomes, folding trailers or travel trailers. RVIA has gone out of its way to welcome van converters to meet their needs."

(One van association that has formed recently is the National Van Converters Association, headed by Rocky Cole. For more on this new association, see page 83.)

Jacobson pointed out that several dozen van converters joined RVIA's association during the last few months, and Cuzzocrea added, "With our advertising program, it is to the benefit of every converter to join. Instead of each company's having to tell its dealers that it is meeting the federal standards, the dealers can simply be told, 'We're in RVIA, and there's the seal that certifies I'm meeting the standards.'" △

VAN MARKET *continued*

facilities in nea-by Goshen so that it could increase its production to 25 vans per week. Universal Motor Coach of Sturgis, Michigan, converted 1500 vans during its first year of operation and expects to double that in 1984.

Projections

How long will that kind of growth continue?

Dave Pippenger, president of Citation Motor Coach in Elkhart, does not expect it to slow in the foreseeable future, despite the traditional roller-coaster history of van sales. He is counting on dramatic growth for his company not only in 1984, but for at least a couple of years beyond that.

Craig Blue, national sales manager for Consolidated Leisure Industries, looks for sustained growth for van conversions as the nation's economy improves. CLI has prepared for what it expects to be a good year ahead by upgrading its low-priced models, giving its high-end Converse line a

A Universal conversion of Ford's Econoline van.

Kropf

The name for quality for over 37 years.

Our reputation for customer satisfaction is second to none. It's a reputation earned by our close attention to the smallest details. From the solid oak cabinetry custom-made by Amish craftsmen to the super smooth suspension system, every detail of our travel trailers and 5th wheels is the finest – by design.

Kropf also custom builds Park models.

For complete information contact:

Kropf Manufacturing Co., Inc.
58647 S.R. 15 P.O. Box 30
Goshen, IN 46526
(219)533-2171

Kropf, Circle 32 on Reader Service Card

SONY®
AUTOSOUND
makes you sound better.

Customers make value judgments. They sense quality in materials. But they see it in brand names.

Sony spells it out: n-a-m-e r-e-c-o-g-n-i-t-i-o-n, q-u-a-l-i-t-y r-e-p-u-t-a-t-i-o-n.

So put Sony Autosound in your Recreational Vehicle. And let us put a reassuring tone in your pitch. Call River Park Distributors today for outstanding selection, dependable service, and on-time delivery.

Because Sony and River Park makes you – and your product – sound better.

RiverPark distributors
Consider the source

21269 Buckingham Road
Elkhart, Indiana 46516
Call (219) 522-7781

Riverpark Dis., Circle 68 on Reader Service Card

VAN MARKET *continued*

facelift and purchasing new fabrics, draperies and color combinations for all models.

Ellis of U.S. Conversions (USC) emphasized that "just the edge" of the van conversion market has been touched by the industry thus far. He expects sales records to be set each year for a while unless van sales are affected adversely by some economic tragedy or by fuel shortages. USC's sister company, Concept Editions, will devote its full energies to converting minipickup trucks and the new minivans during 1984, while USC itself will introduce all-new van models.

Bentley Corporation believes its best future is in the South, where it presently concentrates its sales efforts. "We're constantly exploring new markets and getting new dealers, but we don't believe we've completely penetrated the market here yet," said Bentley General Manager Jim McDonald from his Texas office.

Ger-Win's Harley Wingard reported, "I really expect the next two or three years to be strong. I'm basing that on several different things. First is that I believe we've entered a new market for our product; the professional people are now buying our vans." In addition, he said Ger-Win will offer new models in 1984 that should help the company increase its market share.

Frank Nowakowski believes the van industry will continue to grow as long as automobiles are built smaller and smaller. But he believes the secret to success will be a company's ability to acquire chassis. "It's going to be a very interesting year," he said. "Chassis will be more important than sales. There's such a thing as not enough sales, but I don't agree with the people who say there can never be too many sales. There can be if you don't have enough chassis to support them. If you can't produce what you sell, you have to answer to a lot of people."

The fact is, though, that anyone who can acquire chassis can find dealers in need of converted vans. And in the van conversion field, success can't always be measured by a company's size or by the number of vans it produces. Ken Huys said it best: "I know individuals in this business who run 200 to 250 units a

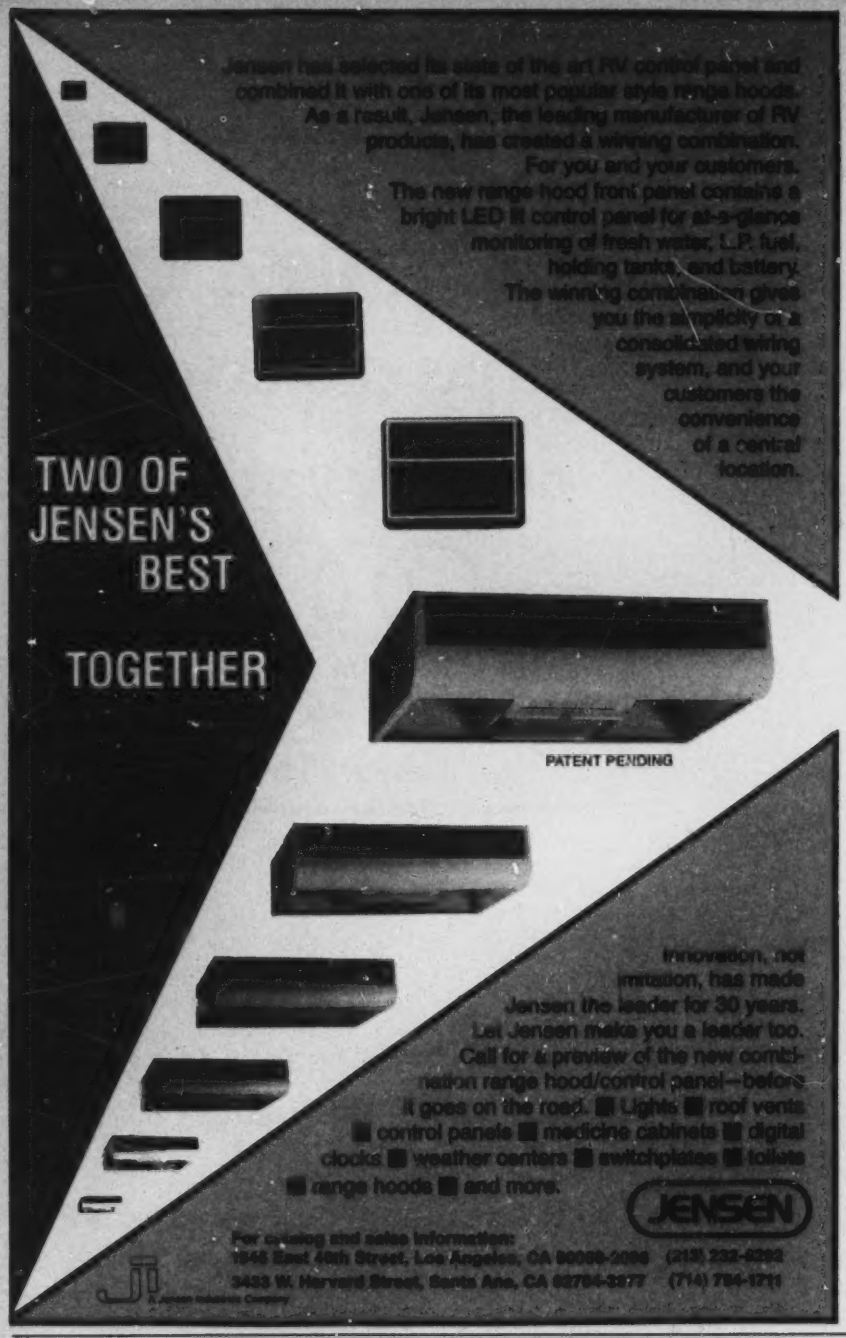
Who should you call for effective and affordable RV software for your RV business?

SpaderSoft™
AFFORDABLE RV SOFTWARE

1-800-SPADERS

Duane Spader & Associates • P.O. Box M • Sioux Falls, South Dakota 57101

SpaderSoft, Circle 48 on Reader Service Card



Jensen Assn. Circle 30 on Reader Service Card

VAN MARKET *continued*

year, and they make a good living doing it." He pointed to a nearby competitor who builds a few vans each week and markets them without a sales crew, with no brochures and precious little overhead. "He seems to roll happily along, too," Huys said.

John Davis, president of Gran Prix, Limited, is another example of a small converter who operates quite successfully, handicapped only by spot chassis shortages. Davis said he has no intention of becoming a major van producer, and he is satisfied with converting up to 15 luxury vans a week in his modern Elkhart plant.

Endurance

Longevity in the industry is becoming more and more important, however. Converters who enter the field during boom periods and then walk away from it during slow times can't maintain much credibility among the nation's automobile dealers, according to Universal's Jay Koenigsberg. "Dealers want to be comfortable with the people with whom they're doing business," he said, "and it's tough for a dealer to be comfortable with someone who says, 'Oh, yeah. I've been in the business four different times.'"

Ken Kennedy, chief executive officer of Roman Wheels, emphasized, "The last thing we need is more fly-by-nighters who jump in, jump out and don't really have any real commitment to the industry. But I think there is always room for new companies that are able to provide good warranty service to the dealers and put out a good product. Overall, they will help the image of the van conversion business." Δ

FRIJILOK!
SUGGESTED U.S. RETAIL PRICES

MANUFACTURERS OF CONVENIENCE PRODUCTS .... TO KEEP THE FUN IN CAMPING!

AUTOMATIC SAFETY LATCH

SINGLE DOOR $4.95
DOUBLE DOOR $5.95

YOU CAN'T FORGET
Just Close the Door • It's Locked
Fits All RV Refrigerators

SUPER SAFETY RAILS

15½" x 28" Wide $5.95

NOTHING TO INSTALL
Each Package Protects 3 Shelves

Ask Your Dealer, Distributor or Contact:
FRIJILOK International • Box 1300 • Victorville, CA 92392 • (619) 242-2929 • The IDEA People

Frijilok. Circle 23 on Reader Service Card

Individuals or companies desired as manufacturer's representatives by RV seating manufacturer, with plants in Michigan, Florida and California. Expanding sales base. A few select territories are available.

Contact Jasko Inc.

800-327-2725
or write 1800 S.W. 34th Street, Ft. Lauderdale , Florida 33315.